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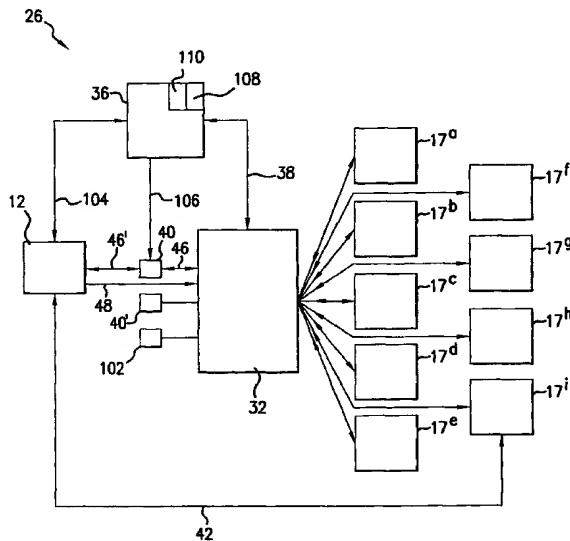
(57) Abstract: An electronic commerce system (26) includes a host (32) with two-way communication (34) to a plurality of distributors (17). Each of these distributors offers an addressable inventory of merchandise that consists of discrete items. The host (32) sorts the discrete items according to a class designation such that members of a same class are assigned a unique tag. A store owner (36) may electronically request at least one of the unique tags. The host (32) then creates a customized store (40) with a unique name, look and feel, and product selection for the store owner (36). This store (40) provides a consumer (12) with access, via said distributor (17), to items assigned that unique tag.

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# METHOD TO CREATE A CUSTOMIZED E-COMMERCE STORE

## BACKGROUND OF THE INVENTION

### 1.    Field of the Invention

5          This invention relates to a method of electronic commerce employing an integrated network of computers, such as the World Wide Web.  More particularly, a host assigns an identification tag to diverse items available from a plurality of distributors.  A store owner electronically interfaces with the host to create a customized store providing a plurality of diverse items having similar

10   identification tags.

### 2.    Description of Related Art

The large integrated network of computers, referred to as the Internet, has had a significant impact on commerce.  Electronic commerce ("e-commerce") represents a significant source of traffic and customers for merchants.  Consumer

15   research has shown that among the reasons for consumers to shop on-line, that is via a network of computers, are convenience, selection and variety.  Twenty-four hour access, superior product information and minimal travel time, combined with an almost infinite variety of products to choose from is a powerful incentive to try this medium.

20          The sale of goods and services over the Internet to households now represents about 5% of retail sales.  It is expected that there will be an acceleration in e-commerce over the next several years.  This growth will be driven primarily by a huge influx of on-line buyers as well as an increase in the frequency of purchases among experienced on-line buyers.

25          One traditional form of on-line shopping is destination oriented.  A consumer desiring to purchase a specific product or service seeks out a retailer that carries the desired product or provides the desired service and goes directly to the retailer's web site to make a purchase.  For example, a consumer may seek out Amazon.com if seeking to buy a book.

Another form of e-commerce is an affiliate program. A destination site, such as a web site drawn to a particular sporting team, directs consumers to retailers selling goods or services through a link to that retailer placed within the destination site. A sporting team destination site may provide electronic links to

5      a seller of sneakers or autographed trading cards. The destination site, as an affiliate, typically receives a commission from resulting sales for referring traffic to the retailer. It is estimated that affiliate programs produce about 15% to 25% of an on-line retailer's traffic and sales volume.

The destination site, as affiliate, is at a disadvantage. Once the consumer

10     is directed to the on-line retailer, the retailer typically requests sufficient information about the consumer that the retailer may contact the consumer directly regarding new product lines and/or sales thereby depriving the affiliate of additional commissions.

There remains a need for an on-line system of electronic commerce that

15     readily directs the consumer to a wide variety of selected goods, yet allows the destination site to retain the customer relationship and to benefit from repeat purchases.

## SUMMARY OF THE INVENTION

20     Accordingly, it is an object of the invention to provide an e-commerce system that enables anyone with access to a computer and the Internet to create and then to operate a customized, fully stocked, on-line store quickly and at little or no cost to the store owner.

It is a feature of the invention that the store owner is able to create a store

25     front with a unique name, a unique look and feel and a unique product mix. A further feature of the invention is that the creation of the store front and the administration of the store are conducted by the host at little or no cost to the store owner/owner. Rather, the store owner need only market the destination site.

It is another feature of the invention that a host provides a prospective store owner with a series of prompts to manufacture and customize a new on-line store. A further feature of the invention is that there is a minimal, or no, cost to a prospective store owner for the manufacture, customization or maintenance of an

5    on-line store. A further feature of the invention is that when a consumer purchases an item at one of the customized on-line stores, the purchase price is divided between the distributor of that goods, the customized store owner and the owner of the host.

It is a further feature of the invention that administrative details are

10   maintained by the host rather than the store owner. A further feature of the invention is that the stores are customizable after manufacture such that the store appearance or product mix may be readily changed by the store owner. Still another feature of the invention is that the customized store may be electronically linked to other web sites by the store owner.

15   Among the advantages of the invention are that the manufacture and maintenance of a customized on-line store are at low cost or no cost to the store owner. Further, the store is readily accessible to a consumer having electronic access to the world wide web. A further advantage is that the actual supplier of the goods is only partially discernable to the consumer whereby a consumer

20   desiring to purchase additional items is more likely to return to the same customized on-line store. A further advantage of the system of the invention is that the administrative support provided by the host supports the sale of personalized goods and private label goods by the customized store owner.

Yet another advantage is that a single destination site support multiple

25   products, therefore a consumer need learn only one method of on-line shopping to satisfy multiple needs and need not visit multiple sites with multiple electronic shopping requirements as with an affiliate program.

In accordance with a first aspect of the invention, there is provided an electronic commerce system that includes a host with two-way communication to

30   a plurality of distributors, each of the plurality of distributors offers an

addressable inventory of merchandise consisting of discrete items. The host has the capability to sort the discrete items from the plurality of distributors according to a class designation, wherein members of a same class are assigned a unique tag. A store owner with electronic access to the host is capable of

5      requesting at least one unique tag. The host then creates a store for the store owner. This store provides a consumer with access, via said distributor, to items assigned that unique tag.

In accordance with a second aspect of the invention, there is provided a method for the manufacture of an e-commerce store. This method includes

10     electronically accessing a host that electronically displays a plurality of store types, selecting a generic store type, setting up an account whereby the host recognizes a unique store owner, customizing the store appearance and product mix, devising a commission schedule whereby if a consumer provides a purchase price to purchase an item from the store, the purchase price is divided between a

15     distributor of the item, the store owner and an administrator of the host.

The above stated objects, features and advantages will become more apparent to those skilled in the art from the description and drawings that follow.

## BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 illustrates in block diagram destination oriented e-commerce as

20     known from the prior art.

Figure 2 illustrates in block diagram an affiliate program for e-commerce as known from the prior art.

Figure 3 illustrates in block diagram a customized e-commerce system in accordance with a first embodiment of the invention.

25     Figure 4 illustrates functions of the host in block diagram.

Figure 5 illustrates the construction of a customized e-commerce store in flow chart format.

Figure 6 illustrates an exemplary store building screen.

Figure 7 illustrates the screen of Figure 6 further including a pop-up screen having store subsets.

Figure 8 illustrates an exemplary store design screen.

Figure 9 illustrates an exemplary store customization screen.

Figure 10 textually illustrates a number of unique identification tags that may comprise an exemplary customized e-commerce store.

Figure 11 illustrates in block diagram a customized e-commerce system in accordance with an alternative embodiment of the invention.

## DETAILED DESCRIPTION

Figure 1 illustrates in block diagram a destination oriented e-commerce system 10 as known from the prior art. A consumer 12 communicates 14 with a retailer 16. By consumer it is meant an individual desiring to either purchase or receive information about a specific product or service. The individual may be acting on his/her own behalf or on the behalf of a corporate entity. A consumer may also be an intelligent machine, such as a computer programmed to purchase desired goods or services in response to a command, for example to restock the shelves of a grocery store once purchase of a product exceeds a specified threshold.

By retailer it is meant a person or corporate entity who satisfies the consumer's requests, typically in return for a financial consideration. A retailer is a branded seller meaning that the retailer intends for the consumer to remember the retailer and to seek out the retailer for additional goods or services.

The consumer 12 communicates with the retailer 16 electronically, by digital packets of data transmitted via the world wide web. Typically a computer operated by consumer 12 electronically communicates with a computer accessed by retailer 16 utilizing any suitable form of electronic communication. For example, transmission control protocol/internet protocol (TCP/IP) is widely used.

Communication 14 is two way, as indicated by directionality arrows 15,15'. The consumer 12 is able to peruse the items available for sale by retailer 16 and make selections or inquiries. The retailer 16 can provide the consumer with the availability of the desired items and answers to specific queries. The

5   consumer 12 may then order specific items on-line, typically utilizing a credit card or an electronic transfer of funds.

There are a number of problems with a destination oriented system. The consumer is captive to the goods and services offered by a single retailer 16. Such goods and services may be limited to a single brand or to a restricted level

10  of quality. While the consumer 12 may conduct a search of the World Wide Web for other retailers having goods or services more closely meeting the customer's expectations, such a search may be time-consuming and contains no guarantee of success. Further, the consumer's confidence in the honesty of remote retailers and/or previously unheard-of retailers, may be limited.

15          From the retailer's standpoint, it is expensive to set up and maintain a computer system capable of supporting e-commerce. The retailer must provide products to sell, provide transactional processing and fulfillment of orders, provide customer service and manage returns. The e-commerce technology is complicated, requiring the services of skilled programmers. The volume of

20  traffic visiting the retailer's web site, is variable and, at times, may be insufficient to meet the retailer's costs.

Figure 2 illustrates an affiliate program for e-commerce 18 as known from the prior art. In the affiliate program 18, a consumer 12 electronically communicates 14 with a destination site affiliate 20 via an appropriate digital

25  electronic communication protocol. The destination site affiliate web site illustrates a number of goods and services available from a variety of retailers $16^a$-$16^f$. If the consumer 12 informs the destination site affiliate 20 of a desire to purchase a listed product or service, the destination site affiliate 20 links 22, electronically transfers, the consumer 12 to the proper retailer's web site. If the

30  consumer 12 then decides to purchase from an affiliate retailer, for example $16^a$,

the consumer 12 pays the retailer $16^a$ directly. Retailer $16^a$ then arranges with a distributor, for example $17^a$ to ship the purchased goods to consumer 12. In some embodiments, the retailer also functions as the distributor or there may be multiple distributors supporting a single retailer. The owner of the affiliate

5    destination site 20 receives a commission that is typically between 5% and 10% of the sale price.

While advantageous to the consumer 12 in that many retailers are accessible via a single affiliate destination site 20, the affiliate destination site risks losing the consumer 12 as a customer for future sales. During the first sale,

10    retailer $16^a$ will typically obtain sufficient information about the consumer to contact the consumer 12 directly and the affiliate destination site 20 is not needed for repeat sales causing the site owner to lose out on future commissions.

Figure 3 illustrates a first embodiment of an electronic commerce system 26 in accordance with the invention. A host 32 has two-way communication 34

15    with a plurality of distributors $17^a$-$17^i$. While Figure 3 illustrates nine distributors as an exemplary number, the actual number of distributors in two-way communication 34 with host 32 is not fixed and may number in the hundreds or thousands. It is anticipated that the number of distributors will vary with the trend being towards increasing the number of distributors. Each distributor $17^a$-

20    $17^i$ has an addressable inventory of merchandise consisting of discrete items. Addressibility may be by UPC number (Universal Product Code), an internally developed product code or any other means by which a specific product may be readily identified. Preferred addressibility is by a customized product code to provide a desired degree of uniqueness.

25    The distributors will have different items available, for example, distributor $17^a$ may carry books while distributor $17^b$ may carry home furnishings. Multiple distributors may carry similar goods however from different manufacturers. For example, distributor $17^c$ may carry brand name electronics from one or two suppliers while distributor $17^d$ may carry similar

30    electronic products from different brand name manufacturers.

Preferably, the two-way communication 34 is in the form of a digital data link between a computer maintained by the host 32 and computers maintained by distributors $17^a$-$17^i$. Such a digital link is typically referred to as an electronic data interchange (EDI) link and enables the electronic satisfaction of orders

5      including payment and shipping. Alternatively, the two-way communication may involve a human interface, such as by facsimile or telephone.

The host 32 has the capability to sort the discrete items inventoried by all of the plurality of distributors $17^a$-$17^i$ according to class designation. Members of a same class are assigned a unique tag. For example, all table lamps may be

10     assigned one identification tag while all race car memorabilia may be assigned a different identification tag. A table lamp encompassing race car memorabilia would be assigned both unique identification tags. An exemplary identification tag is a mixture of product categories, assigned key words and other identifying characteristic data.

15     A store owner 36 electronically communicates 38, typically in a computer-to-computer digital protocol, with the host 32. The store owner 36 is capable of requesting of the host 32 at least one of the unique identification tags. The host 32 then creates a store 40 for the store owner 36. The store 40 provides a consumer 12 with access to the items assigned the unique identification tag.

20     Should the consumer 12 desire to purchase a displayed item, the item is shipped 42 from one of the distributors, for example $17^i$, to the consumer. Since the consumer 12 has primary discernable access to the store 40, it is anticipated that future sales will be through store 40 generating additional revenue for store owner 36, a distinct advantage over an affiliate program.

25     Figure 4 illustrates functions of the host 32 in block diagram. The host 32 has a front end portion 44 that communicates 46, in digital electronic protocol, via store 40 with consumer 12. Along communication link 46, 46', are transmitted product displays, product pricing and answers to customer queries. The store 40 has been customized, as described below, by the store owner such

that the customer views store 40 as a unique stand-alone entity that is worthy of repeat visits and repeat purchases.

Among the administrative functions of the host are order taking, store creation, hosting of customer service, transaction processing, order fulfillment

5      and returns as well as system maintenance and up-grades.

Front end portion 44 receives both orders and payments from consumer 12 as well as return requests and other administrative matters. Order taking, payments, customer service inquiries and responses, and return requests are digitally communicated 48 directly from the customer 12 to the host 32.

10     Although communicating with the host for these administrative details, the consumer's primary activity is with the store 40 causing the host 32 to be of limited discernability to consumer 12. Direct communication link 48 frees the store 40 from the need to provide administrative support.

In a preferred embodiment, the administrative details are conducted under

15     store branding rendering the host indiscernable to the consumer. For example, even if customer service is provided through host, the customer service representatives as well as customer service data screens appear to the consumer as originating with the store.

An administrative portion 50 of the host 32 communicates 38 with store

20     owner 36. The administrative portion 50 allows the store owner 36 to build the customized store 40 and to modify the store 40 as desired. In addition, the administrative portion 50 communicates messages to the store owner 36, adjusts prices, monitors sales and commission performance and allows the store owner to change the product mix.

25     A back end portion 52 communicates 34 with the plurality of distributors $17^a$-$17^i$. The back end portion 52 transmits orders and payments to the appropriate distributor and verifies that requested items have been shipped. In addition, the back end portion 52 assigns the unique identification tag to each item available from the plurality of distributors to enable store owner 36 to create

30     the customized store 40.

To develop a data base of goods, unique identification tags are assigned by any suitable process or combination of processes. For example, a vendor may provide a data base with vendor codes for available merchandise. The host could then convert the vendor codes to host codes and enter the products into the host

5      data base. Alternatively, a vendor's product catalog may be digitally scanned into the data base and the host codes manually entered. In another alternative, an automated process may assign the vendor goods with host product codes based on key words and an electronic characterization of the data.

There is also communication within the host between the portions 44, 50,

10     52. For example, when a customer order is received at the front end portion 44, that order is communicated to the back end portion 52 for transmittal to the appropriate distributor. When payment is received, the store owner's commission is forwarded to the store owner 36 and the purchase price communicated to the distributor 17.

15     Figure 5 illustrates in flow chart format a series of steps by which a prospective store owner builds a customized e-commerce store in accordance with the invention. This is done at either a nominal cost, or preferably, no cost to the store owner. The prospective store owner electronically communicates with the host by logging on to the host's web site on the World Wide Web. The host's

20     web site has an electronic address, URL (Uniform Resource Locator), that provides accessibility to persons on the Internet. The prospective owner obtains the host's URL through any appropriate means such as advertisements (print or electronic), word of mouth or searching on the Internet. Once the prospective store owner accesses the host, a preliminary home page describing the functions

25     and capability of the host and links the prospective store owner to a store building web site.

At the store building web site, the prospective store owner is first prompted to select a store type 54. Different types of stores available to the prospective store owner appear on the prospective store owner's computer screen.

30     Figure 6 illustrates an exemplary store building screen. The prospective store

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owner is provided with a number of different generic store types 56 and a description 58 of each generic store type. The anticipated commission range 60 is also specified. The price paid by the consumer for goods purchased from the customized store has three components. First is the purchase price which is

5    transmitted from the host to the distributor. Second is the commission, a percentage of the purchase price that is paid by the host to the store owner. The third component is retained by the host for operating expenses and profit to the host owner.

The generic store may be a superstore 62, or a themed store drawn to

10   sports, movies, etc. Further refinement in the type of store is achieved by clicking, pointing a computer mouse button and selecting, on a select store type button 64.

Referring now to Figure 7, clicking on the select store button opens a pop-up screen 66 that further refines the generic store to a specialty store 67. For

15   example, rather than a generic sporting goods store, the customized store may deal exclusively with soccer merchandise or camping merchandise.

With reference back to Figure 6, a generic superstore 62 may appeal to a broad base of consumers, but may be subject to competition from other stores, affiliates and retailers. A more specialized store, such as a sporting goods store,

20   will have more selective appeal to a smaller group of consumers, but face less competition. A customized specialty store, such as a camping store, has an even smaller group of interested consumers, but since these consumers likely have an interest in the products offered, the number of visitors that make purchases is expected to be high compared to more broadly defined types of stores.

25   As a further alternative, the store may be based on a specific theme 68, for example, Elvis memorabilia. Alternatively, a key word or series of key words may be utilized to construct the store. For example, the keyword "Australia" would lead to the creation of a customized store themed around the country Australia.

Referring back to Figure 5, the prospective store owner is next prompted to set up an account 70 whereby the host recognizes and is enabled to securely communicate with the prospective store owner. The account information includes the customized store owner's name, email address and a secure

5   password. The password is utilized when an owner of a customized store seeks to communicate with the host about the store, for example, to modify the store contents or appearance or to get an accounting of earned commissions.

The store owner is then prompted to design a store, customizing how the store will appear on a consumer's computer screen. As illustrated in Figure 8, the

10  prospective store owner is prompted to select from one of a number of store designs 74. A preview window 76 provides the prospective store owner with a preview that may be readily adjusted as needed. The store design 74 establishes the top and bottom border designs and the positioning of text.

A color palette 78 enables the prospective store owner to select the

15  dominant colors for the top and bottom border designs and, in some selections, a background color for highlighting the text. A font style 80 enables the store owner to choose a distinctive font.

There are multiple selections within each of the three variables, store design 74, color palette 78 and font style 80. This enables a large number of

20  unique stores to be formed. For example, if there were five store designs, 15 colors and 20 font styles, this would enable the formation of 5x15x20=1500 unique store appearances. The store name and selected goods provides further distinctiveness. This example is not intended to limiting, other customization, such a graphics imported by the store owner, may be included. In addition, the

25  number of designs, colors and fonts is for example only.

Referring back to Figure 5, the store owner is next prompted to customize 82 the store. Figure 9 illustrates an exemplary customization screen. The store owner is prompted to select a unique store name 84 and a store slogan 86. As a default, the prospective store owner's name and the word "store" may be

30  combined as the store name and a slogan generated by the host utilized. Further

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customization allows for a home page narrative 88 to make the store more interesting to consumers.

To provide the customized store with a URL, the host provides a number of selectable domain names 90 that have been cleared for use by the host. The

5     prospective store owner than appends a unique store directory 92 to the domain name completing the URL.

If the prospective store owner has other sites that may be of interest to consumers, an electronic return link 94 may be created enabling consumers to access the other sites with a click of the computer mouse. A link may also be

10    created at these other sites to allow the consumer to access the customized store.

A second customization screen, illustrated in Figure 10, identifies all products that the host considers should be present in the proposed customized stores. Each different item 96 has been assigned a unique identification tag, such that all tents have the same identification tag, no matter which distributor

15    provides that tent. Likewise, each air mattress has the same identification tag that is different than the identification tag for tents. By selecting or deselecting 98 items, the customized store may be further refined to sell only a few of the selected goods. In addition, alternative goods, having been assigned unique identification tags in others of the customized stores may be added to the product

20    category.

Referring back to Figure 5, the store owner is finally prompted to provide a commission address 100 where earned commissions may be either mailed or credited to an appropriate bank account.

With reference to Figure 3, operation of the electronic commerce system

25    26 is described in more detail. The store owner 36 communicates 38 with the host 32 to build the customized store 40. A single store owner may have multiple stores 40, 40$^1$ and the host 32 supports stores 102 owned by additional store owners. It is estimated that each customized store requires between 10 thousand bytes and 100 megabytes of computer memory to establish and maintain,

dependent on complexity and that one terrabyte of memory will support up to one million customized stores.

Store owner 36 may display products and services other than the customized store 40 to consumers 12. For example, store owner 36 may operate a website drawn to New England camping including maps and weather forecasts. A consumer 12 interested in New England camping may communicate 104 with the store owner 36 to learn more about New England camping. Store owner 36 may then provide a direct communication link 106 to customized store 40 for New England camping site visitors interested in purchasing camping materials.

Communication link 104 may also be used by the store owner 36 to market the products contained in customized store 40 or otherwise assist in increasing the number of store visitors.

If a consumer decides to purchase goods, that information is communicated 48 to host 32. If the goods purchased include personalized goods 108, that information is communicated to store owner 36. Payment for the goods is received by host 32 and the order placed and filled with the appropriate distributor, for example $17^i$. The goods are then shipped 42 to consumer 12. After distributor $17^i$ is paid, the store owner 36 is credited with a commission. While commissions can be paid on a sale by sale basis, it is envisioned that quarterly payments will be more economical. In addition, if the commissions do not reach a certain threshold, for example, ten dollars, payment may be deferred to save money.

After payment to distributor and payment of commission to store owner, the remainder of the purchase price is retained by the host owner to maintain the host site and as the host owner's profit.

In addition to the goods offered through customized store 40, store owner 36 may market personalized goods 108 through its own web site, with the host 32 attending to the administrative details. The host 32 communicates to store owner 36 if any personalized goods 108 are to be shipped to consumer 12.

Utilizing the previously assigned password, the store owner 36 may contact the host 32 at any time and access the administration portion. The store owner may then change the store design or the mix of items sold. The store owner may access a list of items sold to determine what is selling and what isn't.

5    In addition, the store owner may access a commission report to determine the present level of earned commission.

While particularly described in terms of store owner 36 being substantially invisible to consumer 12, store owner 36 could maintain a web site receiving heavy traffic, but limited revenues, for example, a site maintained by a

10   national news organization. The e-commerce system 26 of the invention supports a customized store 40 selling private label goods for such a heavy traffic customer. For example, the store 40 may offer books and videos of interest to people who tend to log onto news sites. Customized portion 110 may offer mugs, hats and other memorabilia associated with that national news organization.

15   Host 32 would handle the entire back-end including order fulfillment, transaction processing, customer service and returns. In any of the above embodiments, the host may be discernable to the consumer through the administrative process or, alternatively, indiscernible by application of a store owner's private label to these back-end activities.

20   Other than a straight commission as noted above, the purchase price may be subject to a different type of revenue sharing formula and pricing may be set, in controlled environments, by the store owner rather than the host administrator.

In addition to creating a customized store in communication with the consumer, the store owner, and the host, it is within the scope of the invention to

25   eliminate the customized store as a conduit for information between the host and the consumer. With reference to Fig. 11, there is illustrated an alternative embodiment of the present invention.

A consumer 12 communicates 104 with store owner 36 via a digital connection such as the internet. Store owner 36 acts as a host for the information

30   to be transmitted in response to requests issued from consumer 12. Typically,

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such information is packaged in a format so as to facilitate viewing by the consumer on a web browser such as Internet Explorer by Microsoft Corp. of Redmond, Washington. Common languages in which to encode such information include HyperText Markup Language (HTML) and Extensible

5    Markup Language (XML). As in the previous embodiment, store owner 36 communicates with host 32. In the event that a consumer 12 orders a good from store owner 36, the information detailing the transaction is communicated 38 to host 32 which then communicates 34 with one or more distributors 17 to ship 42 the good to the consumer 12.

10    In the previous embodiment, a consumer communicating with a store owner could, via a direct communication link, link to a customized store. Once in communication with the customized store, subsequent selections, activities, and communications by the consumer were facilitated through interaction with the customized store which was either located on or in communication with the

15    host. As such, the customized store was an extension of the host whose attributes were under the control of the host. In the present embodiment, the store owner 36 plays a more central role in communications between a consumer 12 and the host 32. Specifically, the store owner 36 is capable of performing many of the front end operations previously performed by the customized store.

20    As a result, store owner 36 requires a method through which a consumer 12 communicating 104 with store owner 36 through one or more web pages can view and select one or more product selections. The present invention allows a store owner 36 to embed within its own web pages product links providing access to any product provided by the distributors 17 via host 32. Such product links

25    consist of formatted data structures made available by the host 32 to the store owner 36. Such product links are preferably made available to a store owner 32 through the provision by the host 32 of data feeds. As used herein, a "data feed" is a transferal of data structures in a predetermined format.

Data feeds are preferably sent from the host 32 to a store owner 36 at

30    predefined intervals such as daily or weekly. Data feeds may be sent at any

previously defined time or may be exceptionally requested at any time by a store owner 36. In addition, product feeds may be invoked on the host 32 in response to a price change in a product offered by a supplier in communication with the host 32. For example, a change in the price of particular television model may

5    trigger a data feed being sent to all store owners 36 that have expressed in interest in receiving data feeds that include information on the affected television model.

A single data feed may contain data structures defining the particulars of one or more products, product categories, or the like. Each data structure defines at least one product link. The format of each data structure, while predefined, is

10   not limited to any single format. The data included in a single data structure includes, but is not limited to, image data, pointers to other data, and textual data.

Each data feed contains information related to products in which the store owner 36 has expressed an interest to host 32. Such interest may be defined through an interactive selection process between the host 32 and the store owner

15   36 or through non-electronic communications between the store owner 36 and the host 32 such as through communication between personnel of both entities. In this manner, data feeds contain information which is customized to the needs of each store owner 36. Once a store owner 36 receives a data feed from host 32, it may store the data feed for future use. Such data is preferably stored in a

20   database in communication with store owner 36. Store owner 36 may retrieve the data stored within the data feed to update or otherwise alter its communications 104 with consumers 12.

For example, a web page displayed to a consumer 12 from store owner 36 may display a picture of a golf club along with price information. Rather than

25   create a static web page displaying such information, store owner 36 may embed in the web page code a reference to the data structure containing information regarding the golf club. In this manner, if an updated picture was included in a recent data feed or if the price for the club has changed, such current information could be extracted from the data structure and displayed to the consumer 12.

As mentioned, the configuration of the present embodiment allows the store owner 36 more control over its interactions with the consumer 12. For instance, in the present example, store owner 36 may make use of the data included in the data feed regarding the golf club in any desired manner to induce

5        a consumer 12 to buy the club and to consummate the financial transaction. In addition, store owner 36 may interact with the consumer 12 to verify credit information, use a gift certificate for the purchase of a product, or any other interaction desired by the store owner 36. After completing a transaction with a consumer 12, store owner 36 communicates 38 with host 32 to provide the

10       information necessary for the host 32 to complete the transaction through to shipment 42 of the golf club from a supplier 17 to the consumer 12. Such information may include, but is not limited to, account information, product identifier, quantity, shipping instructions, etc. Once the store owner 36 has successfully sent such information to the host 32, the method of product delivery

15       fulfillment proceeds as before.

It is an alternative to requesting and receiving periodic data feeds, a store owner 36 may more generally access or link, or provide a link, to the entire catalog or subset thereof of the products available through communication with the host.

20       It is a further aspect of the present invention to provide for smart vendoring. As used herein, "smart vendoring" is the ability of the host 32 to decide which distributor 17 will ship 42 the purchased good to the consumer 12 based upon one or more criteria. Such criteria include, but are not limited to, performance rating, cost, service level, and location. Such criteria may be

25       specified by the host 32 or may be overridden by those of a store owner 36. In addition, such criteria may be a combination of store owner 36 defined criteria and host 32 defined criteria. For example, absent any store owner 36 preference, host 32 may always select the lowest cost distributor 17. However, store owner 36 may supercede such a preference by insisting on shipment from the distributor

30       17 nearest to the consumer 12. Lastly, store owner 36 may require shipment from a distributor 17 that has a certain minimum defined performance level.

Host 32 may proceed to select the distributor 17 with the required performance level which offers the best price amongst all other distributors 17 possessing the same minimum performance level.

It is apparent that there has been provided in accordance with this

5    invention an e-commerce system that benefits the individual store owner. While this invention has been described in combination with specific embodiments thereof, it is evident that many alternatives, modifications and variations will be apparent to those skilled in the art in light of the foregoing description. Accordingly, it is intended to embrace all such alternatives, modifications and

10   variations as fall within the spirit and broad scope of the appended claims.

## IN THE CLAIMS

1.      An electronic commerce system (26), comprising:

a host (32) with two-way communication (34) to a plurality of distributors (17), each of said plurality of distributors (17) offering an addressable inventory

5    of merchandise consisting of discrete items;

said host (32) having the capability to sort said discrete items from said plurality of distributors (17) according to a class designation, wherein members of a same class are assigned a unique tag; and

a store owner (36) with electronic access to said host (32) and capable of

10   requesting at least one unique tag, whereby said host (32) then creates a store (40) for said store owner (36), said store (40) providing a consumer (12) with access, via said distributor (17), to items assigned said unique tag.


2.      The electronic commerce system (26) of claim 1 wherein said store (40) is

15   customized by at least one of top and bottom border design, dominant color, font style, store name, slogan, narrative and URL.


3.      The electronic commerce system (26) of claim 2 wherein said store is customized by a combination of top and bottom border design, dominant color,

20   font style, store name, slogan, narrative and URL.


4.      The electronic commerce system (26) of claim 3 wherein said store (40) has a product mix commensurate with a key word store.


25  5.      The electronic commerce system (26) of claim 3 wherein said store (40) has a product mix commensurate with a specialty store.

6.      The electronic commerce system (26) of claim 2 wherein said store owner (36) maintains a consumer accessible web site that is separate from said store (40).

5       7.      The electronic commerce system (26) of claim 6 wherein said consumer accessible web site includes an electronic link (106) with said store.

8.      The electronic commerce system (26) of claim 6 wherein said store owner (36) sells personalized items from said consumer accessible web site.

10

9.      The electronic commerce system (26) of claim 8 wherein said host (32) conducts administrative functions related to the sale of said personalized items.

10.     The electronic commerce system (26) of claim 6 wherein said store owner

15      (36) sells private label items from said consumer accessible web site.

11.     The electronic commerce system (26) of claim 10 wherein said host conducts administrative functions related to the sale of said private label items.

20      12.     The electronic commerce system (26) of claim 2 wherein a single store owner owns multiple stores (40), each with a different URL.

13.     The electronic commerce system (26) of claim 12 wherein said host (32) maintains the administration of all of said multiple stores (40) owned by said

25      single store owner (36).

14. The electronic commerce system (26) of claim 2 wherein said host (32) is not discernable by said consumer (12).

15. A method for the manufacture of an e-commerce store (40) comprising
5   the steps of:

having a store owner (36) electronically accessing a host (32), said host (32) electronically displaying a plurality of generic store types (56);

selecting a store type (56);

setting up an account whereby said host may recognize a unique store
10   owner;

customizing said store appearance;

customizing a product mix of said store; and

devising a commission schedule whereby if a consumer (12) provides a purchase price to purchase an item from said store (40), said purchase price is
15   divided between a distributor (17) of said item, said store owner (36) and an administrator of said host.

16. The method of claim 15 wherein said step of selecting a store type (56) includes the selection of a store (40) from the group consisting of generic,
20   specialty and key word.

17. The method of claim 15 wherein said step of customizing said store appearance includes selecting one or more of a combination of top and bottom border design, dominant color, font style, store name, slogan, narrative and URL.

25

18.     The method of claim 17 wherein said step of customizing said store appearance includes selecting all of a combination of top and bottom border design, dominant color, font style, store name, slogan, narrative and URL.

19.     The method of claim 15 including the further step of said host 32 assigning said store (40) a URL that comprises a domain name available from said host (32) and a directory name selected by said store owner (36).

20.     The method of claim 19 wherein said step of customizing said product mix includes said host (32) displaying a proposed product mix and said store owner (36) deselecting undesired items, if any, from said proposed product mix.

21.     The method of claim 20 wherein said store owner (36) further selects additional items to include within said product mix.

22.     An electronic commerce system (26), comprising:

a host (32) with two-way communication (34) to a plurality of distributors (17), each of said plurality of distributors (17) offering an addressable inventory of merchandise consisting of discrete items;

said host (32) having the capability to sort said discrete items from said plurality of distributors (17) according to a class designation, wherein members of a same class are assigned a unique tag; and

a store owner (36) with electronic access to said host (32) and capable of receiving data feeds from said host (32) said data feeds consisting of data related to the attributes of each of said discreet items of interest to said store owner (36) said store owner (36) providing a consumer (12) with access, via a distributor (17), to said discreet items.

23. The electronic commerce system (26) of claim 22 wherein said data feeds consist of formatted data structures capable of being accessed by said store owner (36).

5   24. The electronic commerce system (26) of claim 23 wherein said data feeds are sent by said host 32 to said store owner (36) at predefined intervals.

25. The electronic commerce system (26) of claim 24 wherein said data feeds are sent by said host (32) to said store owner (36) in response to a request from
10  said store owner (36).

26. The electronic commerce system (26) of claim 25 wherein said data structures are utilized by said store owner (36) to update the provision of information related to said discreet items to said consumer (12).

15

27. The electronic commerce system of claim 26 wherein said distributor utilized to provide said customer with at least one of said discreet items is selected on the basis of predefined criteria.

20  28. The electronic commerce system of claim 27 wherein the predefined criteria upon the basis of which is selected said distributor are defined by said host.

29. The electronic commerce system (26) of claim 27 wherein the predefined
25  criteria upon the basis of which is selected said distributor (17) are defined by said store owner (36).

30.    The electronic commerce system of claim 27 wherein the predefined criteria upon the basis of which is selected said distributor (17) are defined by both said store owner (36) and said host (32).

5    31.    An electronic commerce system, comprising:

a host (32) with two-way communication to a plurality of distributors (17), each of said plurality of distributors (17) offering an addressable inventory of merchandise consisting of discrete items;

said host (32) having the capability to sort said discrete items from said
10    plurality of distributors (17) according to a class designation, wherein members of a same class are assigned a unique tag; and

a store owner (36) with electronic access to said host (32) and capable linking to information related to the attributes of said discreet items said store owner (36) providing a consumer (12) with access, via a distributor (17), to said
15    discreet items.
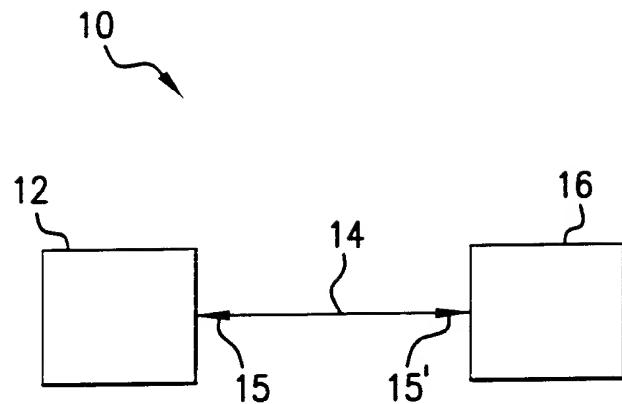
**FIG.1**
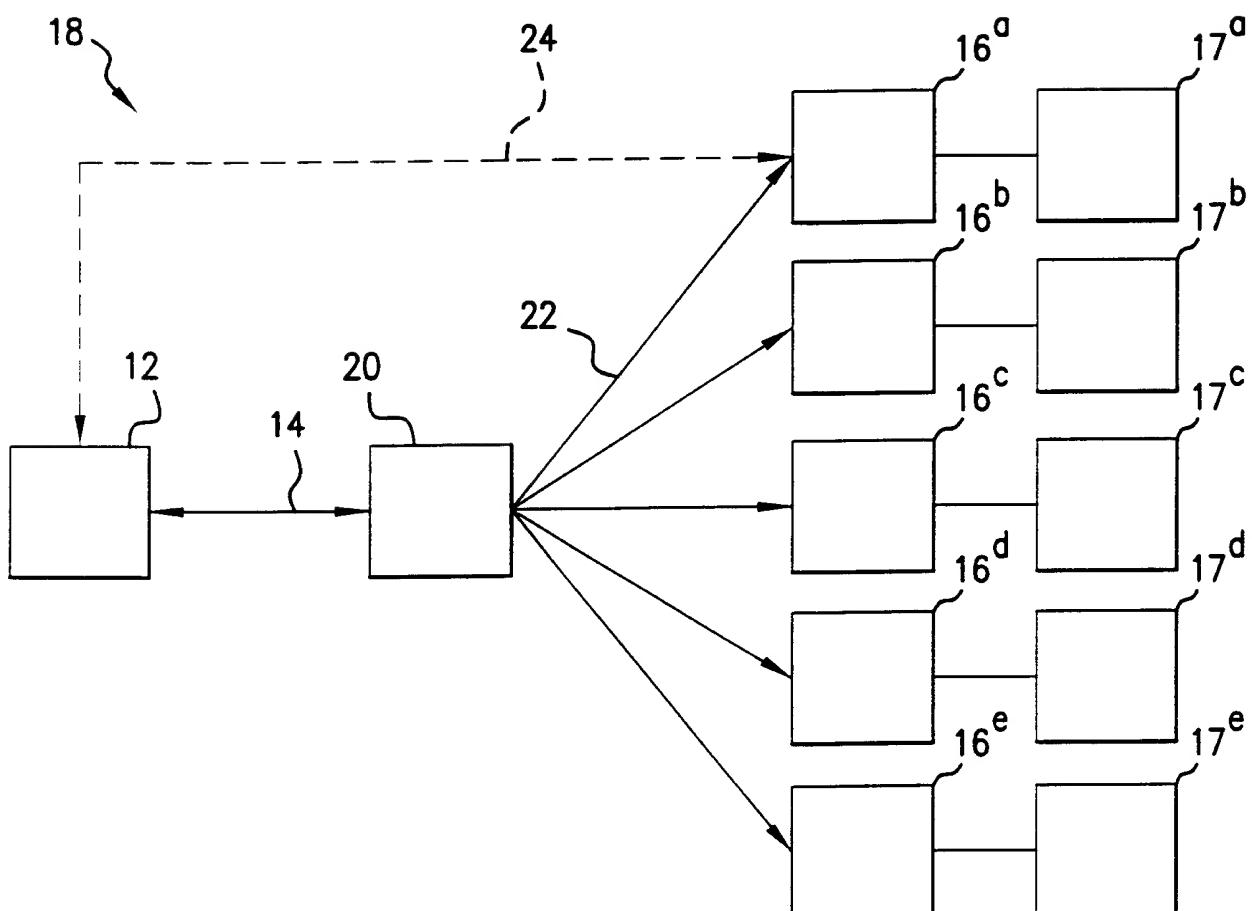
PRIOR ART

**FIG.2**

PRIOR ART

FIG.3

3/10
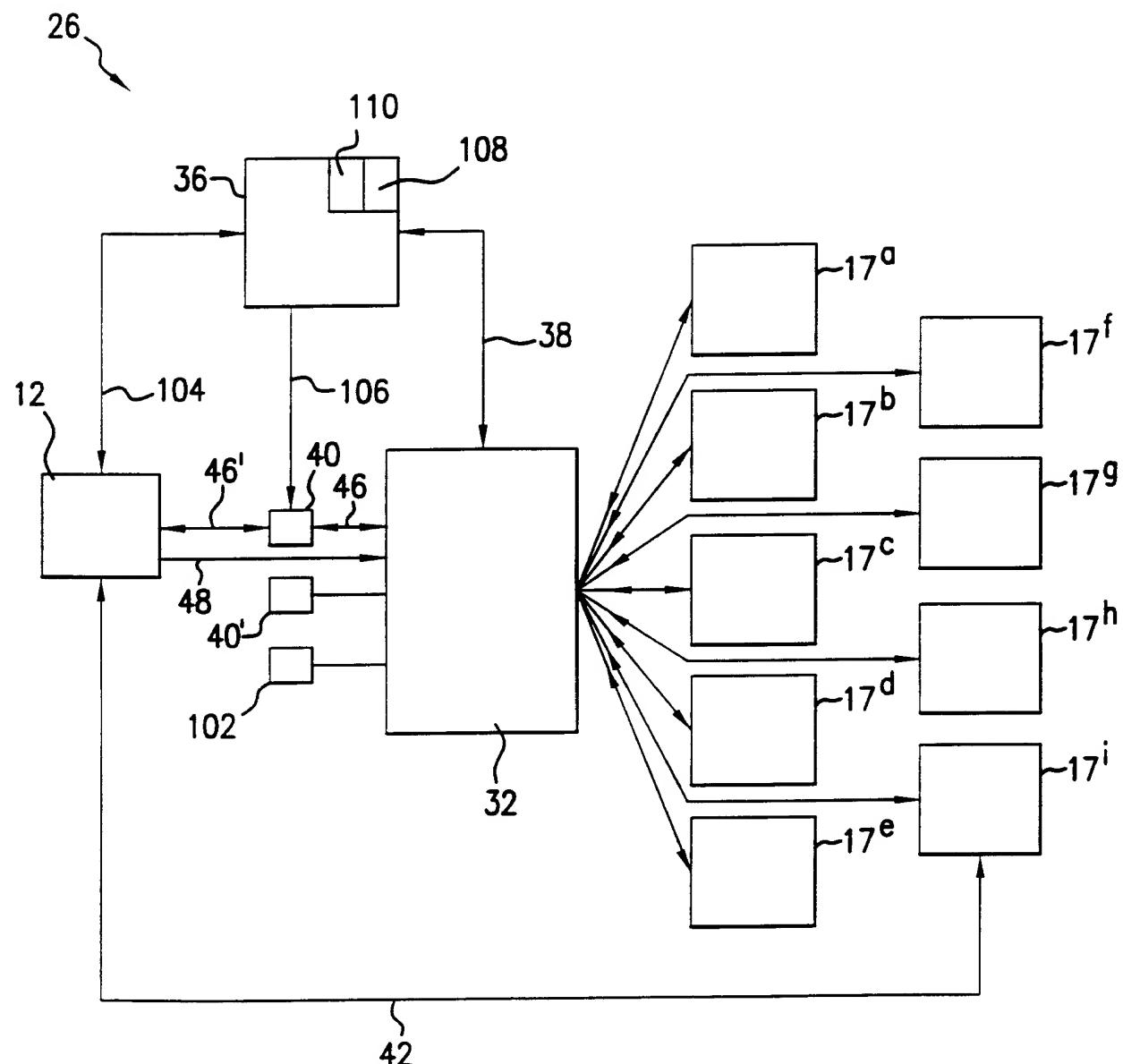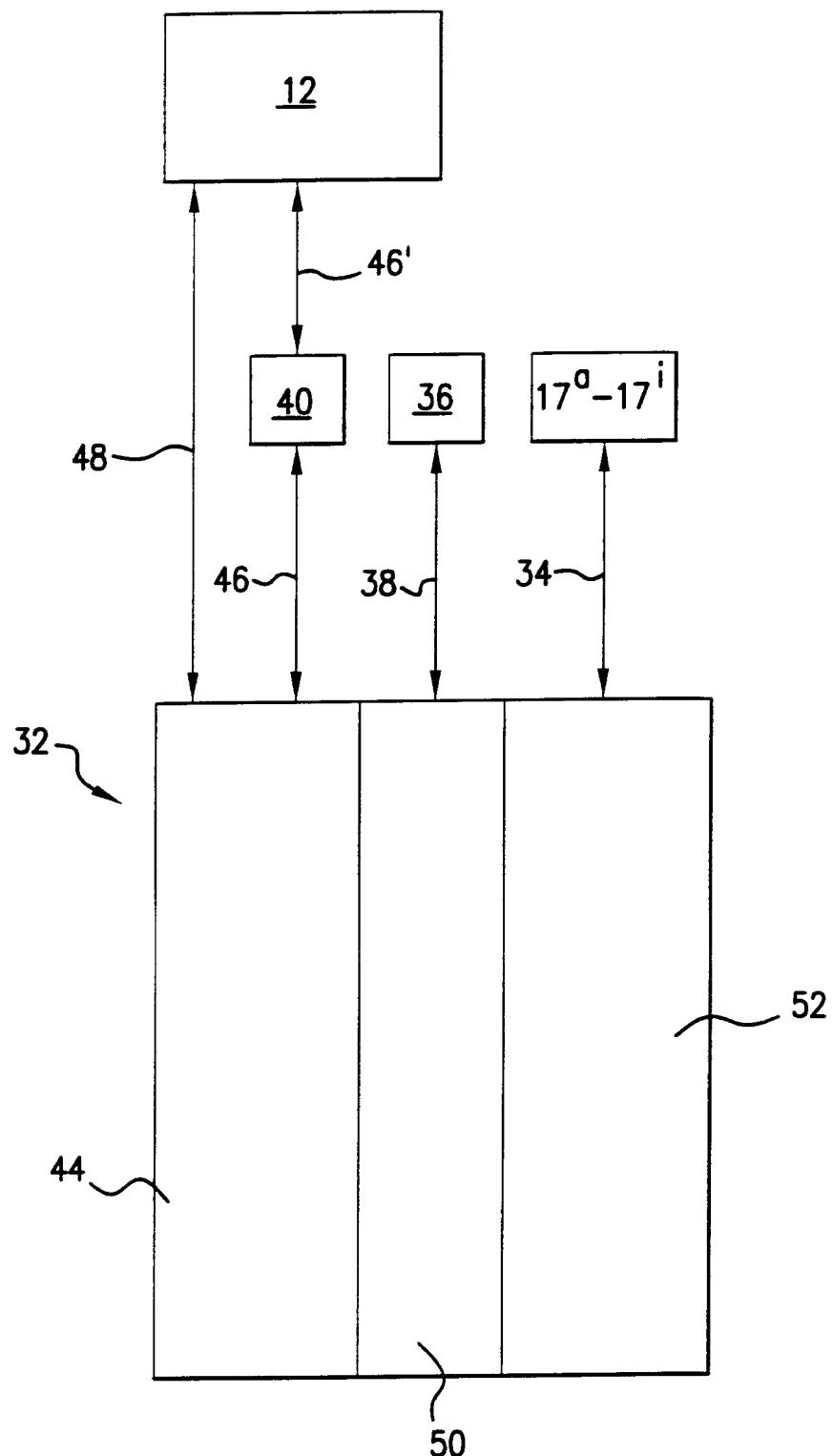


FIG.4
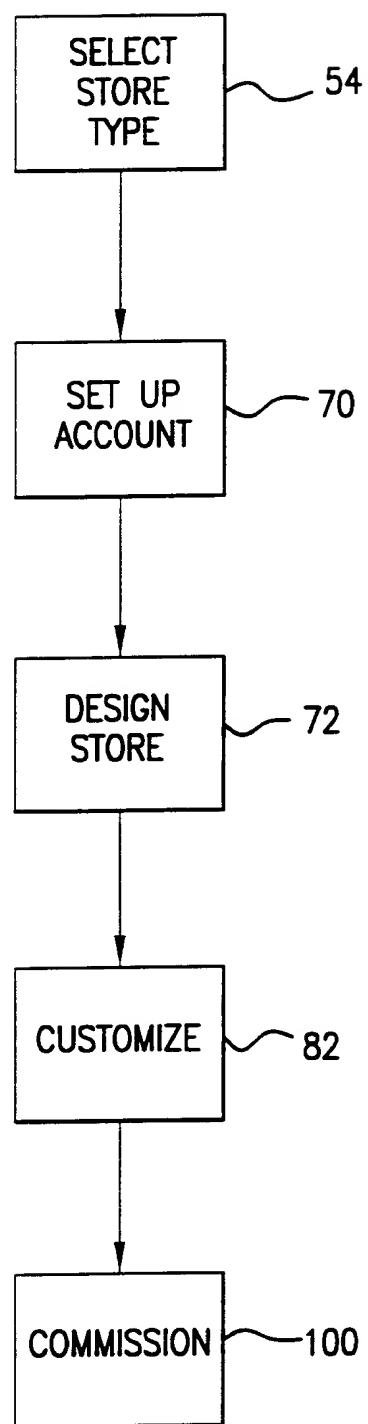
FIG.5
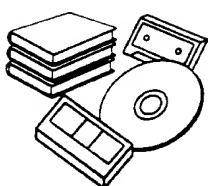
**SUPERSTORES** — 62
OFFER A BROAD SELECTION OF MERCHANDISE
ACROSS MANY PRODUCT CATEGORIES.
COMMISSION RANGE: 5%–25%

SELECT A STORE TYPE ▼
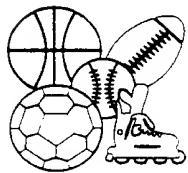
SELECT

**SPORTS & OUTDOORS** — 56
A WIDE SELECTION OF TEAM SPORTS AND OUTDOOR GEAR.
CHOOSE "ALL SPORTS" FOR THE WHOLE SELECTION OR
AN INDIVIDUAL SPORT FOR A SPECIFIC SPORT. — 58
COMMISSION RANGE: 10%–25% — 60

SELECT A STORE TYPE ▼

SELECT

64
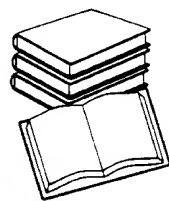
**BOOKS**
HARDCOVERS, PAPERBACKS AND TAPES FROM
A DATABASE OF OVER 400,000 TITLES. CHOOSE
"ALL BOOKS" FOR THE WHOLE SELECTION OR AN
INDIVIDUAL TOPIC AREA.
COMMISSION RANGE: 5%–20%

SELECT A STORE TYPE ▼
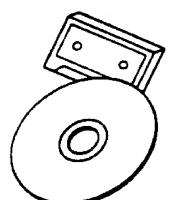
SELECT

**MUSIC**
CDs AND CASSETTE TAPES FROM A DATABASE OF
OVER 107,000 TITLES. CHOOSE "ALL MUSIC" FOR THE
WHOLE SELECTION OR A FAVORITE TYPE OF SOUND.
COMMISSION RANGE: 7%–20%

SELECT A STORE TYPE ▼

SELECT

**MOVIES**
OUR MOVIE STORES INCLUDE VHS CASSETTES AND DVDs
FROM A DATABASE OF OVER 90,000 TITLES. CHOOSE "ALL
MOVIES" FOR THE WHOLE SELECTION OR AN INDIVIDUAL
GENRE FOR A SPECIFIC SELECTION OF TITLES.
COMMISSION RANGE: 8%–20%

SELECT A STORE TYPE ▼
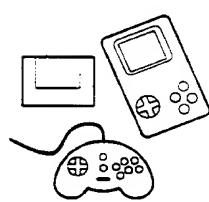
SELECT

**VIDEO GAMES**
A SELECTION OF GAMES/ACCESSORIES FOR NINTENDO 64,
SONY, PLAYSTATION, GAMEBOY AND OTHER SYSTEMS.
CHOOSE "ALL GAMES" FOR THE WHOLE SELECTION OR
AN INDIVIDUAL BRAND.
COMMISSION RANGE: 2%–10%

SELECT A STORE TYPE ▼

SELECT

**THEMES** — 68
DO YOU HAVE A SPECIFIC AREA OF INTEREST? IF SO,
FOR YOU ENTHUSIASTS, WE ARE CONTINUALLY ADDING
STORES DEVOTED TO YOUR FAVORITE TOPIC. HERE ARE
JUST A FEW STORES WE HAVE COMPLETED. MORE TO COME!
COMMISSION RANGE: 5%–25%

SELECT A STORE TYPE ▼

SELECT

**ELECTRONICS**
CHOOSE FROM OVER 4,000 CONSUMER ELECTRONICS ITEMS
FOR THE HOME, OFFICE AND CAR.

SELECT A STORE TYPE ▼

SELECT

# FIG.6
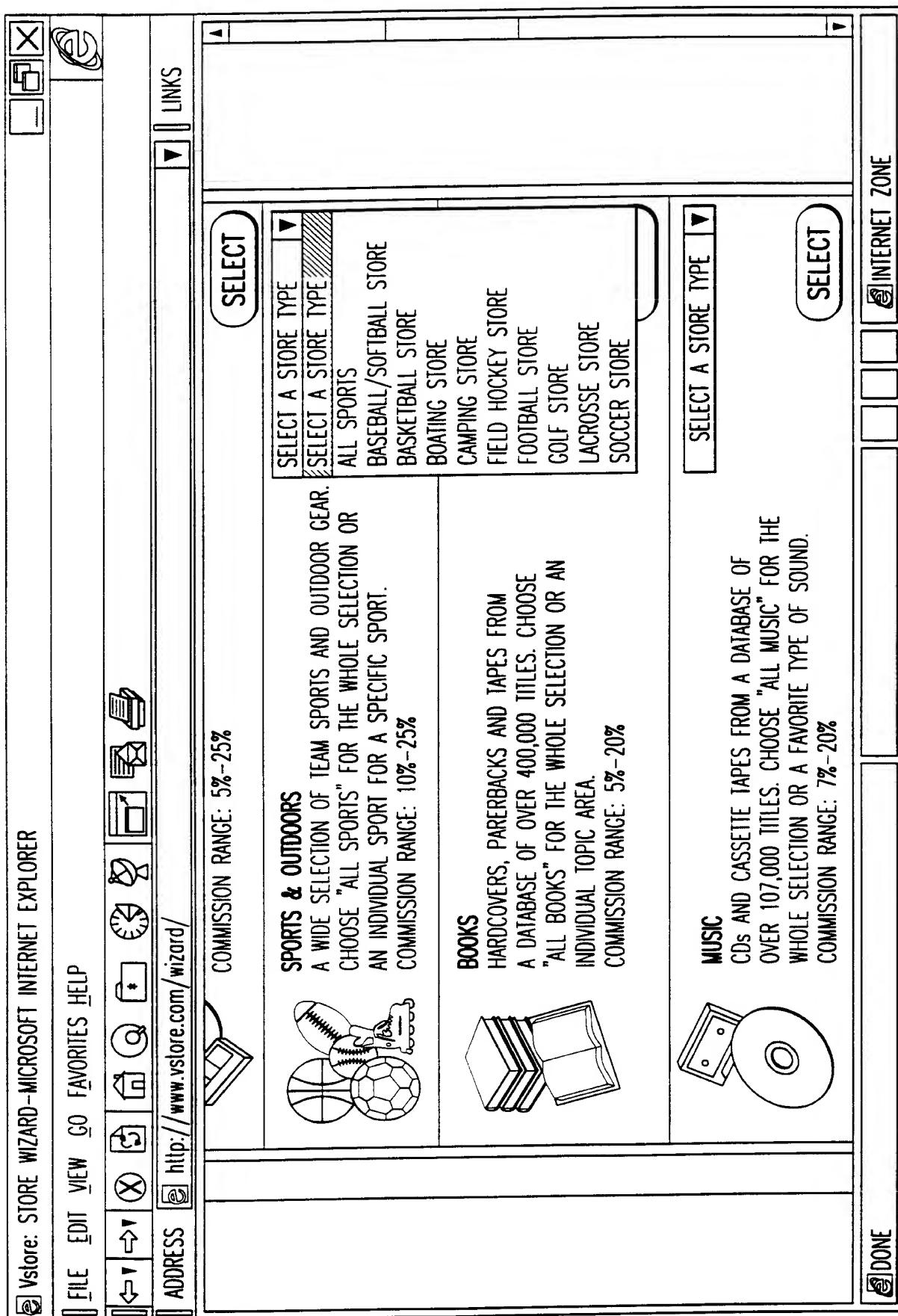
FIG.7

LOOK & FEEL
IT MAY TAKE A MOMENT OR TWO FOR THE PREVIEW IMAGE TO APPEAR, PLEASE BE PATIENT.

STORE DESIGN: SELECT A STYLE
              DESIGN01
              DESIGN02
              74

COLOR PALETTE: SELECT A COLOR
               CHOLLA
               SAILBOAT
               78

FONT STYLE: SELECT A FONT
            ALBERTUS-EXTRABOLD
            BAUHAUSMEDIUM
            80

SAILBOAT
76

ALBERTUS MED.

NEXT
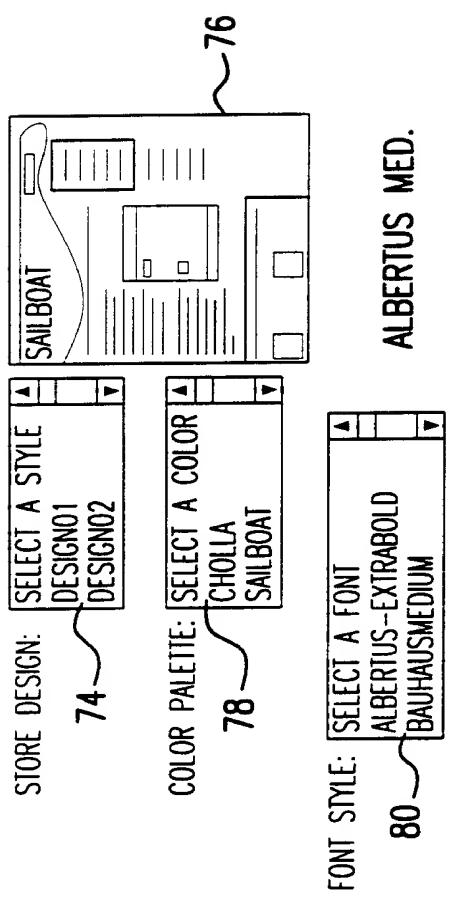
FIG.8

## STORE BUILDER

VSTORE
BETA

STEP 4

CUSTOMIZE YOUR STORE

HERE YOU CAN FURTHER CUSTOMIZE YOUR STORE BY PROVIDING A
UNIQUE NAME, SLOGAN AND HOMEPAGE TEXT. YOU CAN ALSO
CHOOSE A DOMAIN NAME/DIRECTORY COMBINATION (USED TO
CONSTRUCT YOUR STORE'S URL) AND ADD A PERMANENT RETURN
LINK BACK TO AN EXISTING SITE.

WE HAVE FILLED IN SOME OF THE INFORMATION FOR YOU, BUT FEEL
FREE TO CHANGE ANY OF IT. SIMPLY MAKE YOUR CHANGES IN THE
BOXES BELOW AND CLICK "NEXT".

**STORE INFORMATION**                                        84                    (?)
STORE NAME AND SLOGAN

              STORE NAME: [                    ]  EX: MY STORE NAME
                          MAX. 20 CHARS.
                  SLOGAN: [HEAD FOR THE GREAT OUTDOORS    ] ~86
                          MAX. 45 CHARS.

**HOMEPAGE TEXT**
THIS TEXT SHOWS UP ON THE HOMEPAGE OF YOUR STORE. YOU CAN MODIFY THE TEXT
BELOW, OR JUST USE IT AS IT IS.
                                                                          88
              INTRO TEXT: [WHETHER YOU ARE STRIKING OUT ON SOME DARING ▲
                           ADVENTURE OR SIMPLY SLEEPING OUT IN THE
                           BACKYARD, WE'VE GOT THE GOODS YOU NEED. YOU
                           WON'T NEED TO HIRE A SCOUT TO FIND WHAT YOU
                           NEED. . CHOOSE A CATEGORY OF PRODUCTS TO
                           BEGIN BROWSING
                           MAX. 800 CHARS.                              ▼]

**STORE LOCATION**
SELECT FROM ANY OF OUR DIFFERENT DOMAIN NAMES TO HOST YOUR STORE. SELECT THE DOMAIN
NAME YOU WOULD LIKE TO USE AND THEN ENTER IN THE NAME OF THE DIRECTORY YOU WOULD
LIKE TO HAVE WITHIN THAT DOMAIN. (e.g. www.vstoredvds.com/mystore) **PLEASE DO NOT USE ANY
SPACES.**
              DOMAIN NAME: [yourstore.vstoremall.com      ▼] ~90
           STORE DIRECTORY: [                    ] ~92
                           ex: mystorename
                          please use lowercase letters and/or numbers only.

**RETURN LINK**
IF YOU HAVE AN EXISTING SITE, AND YOU WOULD LIKE TO HAVE A LINK FROM YOUR STORE BACK TO
YOUR SITE, PLEASE CHECK THE BOX BELOW AND ENTER A LINK TO THE DESIRED PAGE OF YOUR SITE.

              ☐ CLICK HERE TO HAVE A RETURN LINK ~~94

## FIG.9

# STORE BUILDER

VSTORE BETA
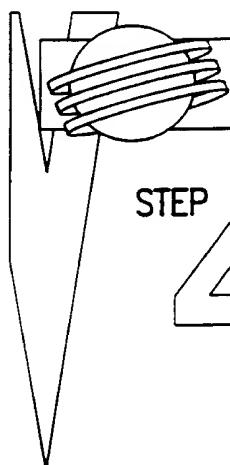
STEP 4

CUSTOMIZE YOUR STORE

IN THIS STEP, YOU CAN CUSTOMIZE THE PRODUCT SELECTION OF YOUR STORE. YOUR STORE HAS BEEN STOCKED WITH THE PRODUCTS LISTED BELOW. TO REMOVE A PRODUCT CATEGORY FROM YOUR STORE, SIMPLY UNCHECK THE BOX NEXT TO THE CATEGORY YOU WISH TO REMOVE AND CLICK "NEXT."

(NOTE: AFTER YOU FINISH BUILDING YOUR STORE, YOU CAN USE THE ADMINISTRATION SYSTEM TO ADD, REMOVE, OR REARRANGE YOUR PRODUCTS AND CATEGORIES.)

PRODUCT CATEGORIES                                    [?]

☑ TENTS ——— 96
☑ BAGS AND PACKS
☑ AIR MATTRESSES
☑ COOKWARE
☑ CAMPING STOVES
☑ SLEEPING BAGS
☑ RAIN GEAR
☑ LANTERNS
☑ ACCESSORIES
☑ GAZEBOS
☑ BINOCULARS
☑ KNIVES
☑ RIGID BLADE
    ☑ FOLDING MULTI TOOL
    ☑ FOLDING POCKET
    ☑ FOLDING LOCKING
    ☑ MISCELLANEOUS
☑ WATCHES
☑ BOOKS
    ☑ CAMPING
    ☑ MOUNTAINEERING
    ☑ HIKING
☑ MOVIES

( NEXT )

8/30/99

# FIG.10

FIG.11